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UPDATE: Bill for the implementation of the land tax reform

UPDATE: On Thursday, 10 June 2021, the Bundestag passed the Federal Government's bill on the implementation of the land tax reform. The bill was adopted as amended by the Finance Committee. The bill passed by the Bundestag is on the agenda of the Bundesrat (second reading) for 25 June 2021.

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The bill

The Federal Government wants to make the implementation of the land tax reform easier and adapt regulations on valuations for inheritance and gift tax purposes as well as wanting to adapt real estate transfer tax in line with various court rulings. To this end, it has presented a draft bill entitled Act to Facilitate the Implementation of the Reform of Land Tax and to Amend Other Tax Regulations (19/28902).

The draft creates a regulation allowing existing economic units formed for the purposes of unitary valuation under Section 26 or Section 34 (4) to (6) of the Valuation Act to continue to be used as a basis for determining land tax values. According to the Federal Government in its draft this should ensure the timely implementation of the land tax reform

In addition, the draft creates various legal clarifications, for example on the calculation of the relevant age of a building. The net basic rents required for the calculation of the capitalised earnings method are updated, and a new rent level 7 is introduced. The tax assessment figure for residential properties is being lowered.

Also included are legal changes for an appropriate and practical application of the other data necessary for valuations by the expert committees. A definition of formal requirements for the professional qualification of the valuer when validating the lower fair market value is also to be included.

In addition, the bill provides for a reimbursement of the share of the child bonus 2021 under the Third Corona Tax Assistance Act borne by the Federal States and the Municipalities. The Federal Government and the Federal States had agreed on this in March. The reimbursement is to be made through the amendment of the fixed amounts under the vertical distribution of turnover tax plan for the year 2021 in the Fiscal Equalisation Act at the expense of the Federation.

Source:

Bundestag online

Schlagwörter

land tax, land valuation